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BEIJING REVIEW

北京周報

A CHINESE WEEKLY
OF
NEWS AND VIEWS

- For the Children's Welfare
- Commercial Reforms
- Jarring News From Capitol Hill



HIGHLIGHTS OF THE WEEK

Upbringing of Children

The upbringing of the nation's 300 million children is being underscored as a task of major importance to the future of the country. Adequate measures are being taken to ensure its success (p. 5). A number of books for children have been put out by the Foreign Languages Press in Beijing (p. 31).

Reforms in Commerce

Reforms introduced over the past two years to facilitate the circulation of commodities have achieved tangible results. A special feature explains the necessity of such reforms and the concrete measures taken; three on-the-spot reports on the market situation in Beijing, Shanghai and Shenyang throw light on some of the achievements already made (pp. 20-29).

30 Years of New Tibet

A Tibetan leader recounts the historic changes that have taken place in Tibet since it was peacefully liberated 30 years ago and looks to the future with optimism and confidence (pp. 15-19).

New President of Academia Sinica

A physical chemist has become the first democratically elected president of the Chinese Academy of Sciences. Other reforms have been introduced in the setup of the academy to give scope to the role of specialists (p. 6).

Happy Family

A harmonious family, with the fine traditions of reverence for the old and care for the young, has been a stabilizing force in Chinese society throughout the centuries. A

campaign is developing apace in several Chinese cities to select such happy families as part of the effort to reaffirm and carry forward China's traditional virtues (p. 7).

Jarring News From Capitol Hill

A handful of people in the United States are again peddling the "two Chinas" doctrine in violation of the principles laid down in the joint communique on the establishment of diplomatic relations between China and the United States (p. 10).



The smiles of a new generation.
Photo by Cai Zhuangtian

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Learning From Lei Feng

What is the significance of your present campaign of learning from Lei Feng?

The Lei Feng* spirit is, to put it in a nutshell, the communist spirit which was widely emulated by the Chinese people in the early 1960s. In those years the people were full of vigour and vitality, their relationships were amicable and harmonious, and social morality was good. All this gave great impetus to China's socialist construction and was acclaimed by our friends abroad.

The 10 chaotic years of the "cultural revolution" had disastrous effects on the people's mental outlook, with the result that social morality deteriorated. During those years when the movement to learn from Lei Feng was cut short, people used to look back to the past and say wistfully: "Where are the living Lei Fengs now?"

In the period of China's democratic revolution, the Communist Party used the communist ideology as its guiding principle in all fields of work, edu-

cated all the Party members and other advanced elements in communist ethics, and advocated among the army men and civilians the spirit of serving the people wholeheartedly without any thought of oneself and of subordinating personal interests to those of the organization. These practices have been followed since the nation entered the period of socialist revolution and construction.

Lei Feng took a clear-cut stand on what to love and what to hate, and he always matched his words with deeds. He was so devoted to serving the public that he often neglected his own affairs. With absolute selflessness, he served the people wholeheartedly, thereby setting an example for all to follow.

At present, in the drive for modernization, it is of special, practical significance to learn from Lei Feng.

To build a powerful socialist country, it is necessary not only to accomplish the four modernizations and build an advanced material civilization but also to create a spiritual civilization of a high level. This means, apart from developing education, science and other cultural undertakings, we should make special efforts to foster the communist ideology, ideals, ethics, discipline and comradely relationships. Material and spiritual civilizations are interdependent and help propel each other forward. We cannot build a modern socialist country if we stress only material civilization.

The campaign of learning from Lei Feng has been merged with that of "five stresses and four points of beauty" (meaning

stress on decorum, manners, hygiene, discipline and morals and beautification of the mind, language, behaviour and the environment) and will be continued throughout the country, particularly among the young people. The two campaigns have spread rapidly and have yielded marked results. This reflects the ardent wish of the Chinese people to foster socialist morality and build socialist spiritual civilization.

— Political Editor An Zhiguo

Importing Grain

When will China stop importing grain?

China will continue to import grain for some time.

Basically, we are self-sufficient. The reason why we import grain is because we export a small amount of rice and we have reduced the acreage under the food crops so as to plant more industrial crops.

Last year China reaped the second best harvest since the founding of the People's Republic in 1949. Output was 318.22 million tons, 4.2 per cent less than the record year of 1979. The amount of grain imported is only a small percentage of China's total output.

China needs a large quantity of grain to feed its 1,000 million people. But the amount imported does not have too much bearing on the overall situation. If the prices on the world market are reasonable, we import more grain, otherwise we import less. And we can manage even if we don't import any grain at all.

— Economic Editor
Wang Dacheng

* Lei Feng (1939-62) was born of a poor peasant family in Changsha, Hunan Province. He became an orphan when he was 7 after his parents and brothers were persecuted to death by the reactionaries. When his home village was liberated in 1949, he was taken care of by the government. Later when he was assigned work, he was several times awarded the titles of labour hero and outstanding worker. He joined the Chinese People's Liberation Army in 1960 and was admitted into the Communist Party that same year. During his years in the army he was cited on many occasions for meritorious service and was awarded the title of a "five-good soldier." He died while on duty in August 1962.

LETTERS

Assessment of Chairman Mao

I was very glad to read the article entitled "How to Assess Chairman Mao and Mao Zedong Thought" by Mr. Huang Kecheng in issue No. 17 of *Beijing Review*. I cannot but feel puzzled about China's present domestic and foreign policies, though I do not want to negate the fact that China had many dark aspects during the days of the gang of four and proper attention was not paid to improving people's living standards. But I disagree with the statement that the "cultural revolution" was totally meaningless. It is a fact that before the "cultural revolution" certain leading members of the Chinese Party and government sought privileges and were not concerned with people's lives. And it is also a fact that some scientists and intellectuals did not make "serving the people" their prime concern. I think the question is whether the timing and the way of launching the "cultural revolution" were correct.

Mr. Huang Kecheng made a fair assessment of Chairman Mao's historical role and seriously pointed out the mistakes existing among some Chinese comrades. Repeated readings of this article has strengthened my belief in Chairman Mao and Mao Zedong Thought.

Takaaki Kunisawa
Fukushima, Japan

I was happy to read your open statement on the topic "How to Assess Chairman Mao and Mao Zedong Thought." Mr. Huang Kecheng expressed my sentiments. You should have published such an article much earlier. If so, maybe the rumours of "demaiofication" would not have appeared. Hardly anyone abroad understands the practice of belittling Chairman Mao's merits. It is regretful that the Chairman stayed in office too long, even when he was old and sick. Every outstanding statesman like him deserves his retirement. Since Chairman Mao has passed away, it is not good to over-emphasize his mistakes. He should be given the position in Chinese history which he deserves. I am glad to see that

your article has also reached this conclusion.

Hillaegard Nurnus
Weilburg, W. Germany

Threat From Hegemonists

What is known in China about the hegemonists' threats of the U.S.S.R.? You are next door to them in the east and whilst it is easy for us to see what they are doing in the west, the Chinese information I have read in *Beijing Review* is the only such information I have read on their threat elsewhere. This is very valuable to us and I feel that *Beijing Review* is often more objective than most Western newspapers. I also like the Chinese reports since they are written by experts who really see what is happening and are not afraid to report it. Please give us more!

Alan F. Ambrose
Kent, U.K.

Your columns "Notes From the Editors" and "Reports & Comments" provide me with information about the actions of the Vietnamese authorities. They have colluded with their master in the Kremlin to carry out a war of aggression and military expansion in an attempt to set up an "Indochinese federation" and seek hegemonism in Southeast Asia.

Bounthemg Svadphaiphane
Massy, France

Educating Youth

I have been intending to write to you for a long time about the anxieties, crimes, egoism and lack of sense of public responsibility existing among the youth.

It is imperative to use persuasion and education to fight against these bad habits and to use theories to reduce guilt complexes and diminish aggression. These theories will prevent citizens from taking the profit-before-everything-else road, and people will not lose sight of their goal of socialism.

Launching the campaign "Socialist Spiritual Civilization" and the movement to "Learn From Lei Feng" should greatly help this situation. And the theories will give these movements a solid foundation.

Lionel Ayache
Nice, France

I suggest that Chinese under the age of 40 read about the Long March. Members of the Chinese Communist Party should not only diligently study "the three constantly read articles" (*Serve the People*, *In Memory of Norman Bethune*, and *The Foolish Old Man Who Removed the Mountains*) by Mao Zedong, but also earnestly and perseveringly practise what Chairman Mao advocated. Do not sink into the small realm of individualism.

Only by displaying the selfless spirit of utter devotion to others, working diligently and conscientiously, being modest and guarding against arrogance can countless Lei Fengs be trained. There will be no lack of successors to Lei Feng.

Itsuo Ishida
Sakai, Japan

Cartoon, Drawing and Map

I disagree with the opinion of one of your readers in Sri Lanka about the cartoons in *Beijing Review*. I like them on one page.

I think they are educational for young people and usually have a good moral point, the humour is delicate, sometimes subtle, not bolsterous, but whimsical.

I often cut out the page of cartoons (full page) and send it to my daughter in Illinois or to other relatives in Indiana.

Sybil Ramsing
Easton, Pa., U.S.A.

Cartoons in the column "Humour in China" should show more good aspects.

Why can't the Chinese people be understood through drawings or maps? A geographical or historical map not only illustrates the beautiful mountains and rivers and landscapes of a country but also shows its economic and physical situation.

Namegabe Bandibana
Bukavu, Zaire

Your letters are welcome. Because of space limitations, we can only print a selection. Condensations are made for the sake of brevity or clarity. —Ed.

POLITICAL

For the Children's Welfare

The Party Central Committee recently called on the whole Party and the whole nation to attach great importance to the healthy growth of children and youngsters. The call has met with warm response all over the country.

The All-China Women's Federation has listed the good upbringing of the nation's 300 million children as a major task and, in conjunction with the All-China Federation of Trade Unions, the Communist Youth League, the China Federation of Literary and Art Circles and the Scientific and Technical Association, has put forward a joint proposal urging the people in all the trades and professions to help make this work a success.

Gathering. On May 20, about 6,000 people gathered at the Great Hall of the People in Beijing to celebrate International Children's Day (June 1). Sponsored by 13 organizations, the meeting was the largest since the founding of New China in 1949 for the promotion of children's welfare work.

The meeting stressed that the upbringing of children is a task of strategic importance having direct bearing on the future and destiny of the country. To ensure that the children will grow up well and develop morally, intellectually and physically, people working in all fields should make their contributions so that the children will receive a good moral and intellectual education and there will be an abundant supply of special goods for the children. Vice-

Chairman Deng Yingchao of the Standing Committee of the National People's Congress, who spoke at the meeting, urged that the family, the school and the society co-ordinate their efforts to give the children a sound education.

A letter of congratulations from Soong Ching Ling, Honorary Chairman of the People's Republic of China, was read out at the meeting. In the letter which was written on May 14 before she became seriously ill, Soong Ching Ling expressed the hope that there would be still closer co-ordination among the family, the school and the society in educating the children. She said: "Only in this way can we more effectively bring up future generations and enable them to develop morally, intellectually, physically and aesthetically. And this would lend them wings by the year 2000, enabling them to achieve the great goals of our country."

Doing Good Things. Work has

already begun for the benefit of the children and heartening progress has been made.

- A national co-ordinating committee for the upbringing of children and youths was set up on May 9 by 16 people's organizations and government departments. It has two sub-committees — one in charge of the children's cultural and art activities and the other in charge of the children's daily necessities.

- A society for the study of children's diet, the first of its kind in China, was set up in May in Shanghai. It will work out a standard nutrition requirement for Chinese children and will evaluate the nutritional value and supervise the sanitary conditions of children's food sold on the market.

- A planning group for the production of children's consumer goods was set up under the Ministry of Light Industry. The various localities have been



A new children's hospital in Taiyuan, capital of Shanxi Province in north China.

instructed to make arrangements for more factories to turn out consumer goods for children.

• The China Children's Publishing House has put out large numbers of children's readings as gifts on International Children's Day. The Children's Publishing House in Shanghai has already brought out 140 titles. An encyclopaedia on nursing and educating children for parents will be published in September in Beijing.

• Preparations are under way for the setting up of children's observatories in 10 provinces, autonomous regions and municipalities with the help of the Scientific and Technical Association.

Scientists Exercise Leadership Over Scientific Research

Lu Jiayi was elected president of the Chinese Academy of Sciences at the fourth session of the academy's scientific council which ended on May 20.

The third president after Guo Moruo and Fang Yi, Lu is the first person to rise to this position through democratic election. Now 66, he was born into a Taiwan teacher's family in Xiamen, Fujian Province. He was formerly director of the Fujian Institute of Research on the Structure of Matter under the Chinese Academy of Sciences and vice-president of Fuzhou University. A physical chemist, he has made notable contributions in structural chemistry.

At the ten-day session, the setup of the academy was changed from that of an administrative unit to a dem-



Lu Jiayi, the newly elected president of the Chinese Academy of Sciences.

ocratically elected leading organ. As the new constitution of the academy stipulates, the scientific council comprising 400 noted scientists will be the highest policy-making organ, instead of being an advisory body as in the past. The scientific council meets once every two years and elects the academy's presidium which makes decisions when the council is not in session. The term of office of presidium members is four years, and they may serve another four years when re-elected. Two-thirds of the presidium members are from the scientific council, and the remaining one-third are composed of leading members of departments concerned under the State Council and leading members of the Chinese Communist Party organization in the academy. The academy president and vice-presidents are elected from among the members of the presidium. All these new stipulations are important reforms in China's scientific undertaking.

To rally specialists to participate in the work of leadership and in making decisions is an important step in strengthening and improving Party leadership over scientific work. For scientists to exercise leadership over

scientific research will greatly promote academic work and bring about the vigorous development of the sciences.

The Chinese Academy of Sciences is the country's highest academic organization in the field of natural sciences and a comprehensive research centre. In serving the national economy, it has made achievements in the research of a number of items centring around agriculture, energy, materials science, environmental protection and alleviation of the effects of natural disasters. In addition, it takes upon itself every year many items of research in connection with China's national defence.

Scientific Council of Chinese Academy of Sciences

The Chinese Academy of Sciences has under it the department of physics and mathematics, department of chemistry, department of biology, department of earth sciences and department of technology and sciences.

The scientific council was set up in 1955 with the aim of rallying outstanding scientists of various fields throughout the country to participate in the leadership over academic work and keeping in close touch with the scientists of the whole nation. With the approval of the State Council, the scientific council later invited 233 specialists to be its members (of whom 172 were scientists in the natural sciences).

The scientific council was restored and reorganized in 1979. In March 1981, the State Council approved a decision by the Chinese Academy of Sciences to enlist 283 additional members for the scientific council, thereby bringing its total membership to 400, 15 of them being women.

About 500 major scientific achievements were made by the academy from 1977 to 1980, including the installation of equipment to produce multi-channel laser beams of 10 to the 11th power watts to study the physics of plasma. The academy also made new advances in computers, semi-conductors, lasers, superconductivity and remote sensing, put into trial operation a computer capable of 10 million calculations per second and successfully manufactured several types of large-scale integrated circuits, particularly the MOS having 4096 bits of storage capacity. All are of the highest quality ever produced in China.

The basic sciences have begun to develop after years of sabotage. Much progress has been made in the synthesis of the 3'-half molecule of the yeast alanine trna, the structural models of the active centre of nitrogenase, the fault block tectonics, the theory of bio-environmental control and the provinciality of floras and faunas in geological time.

Fang Yi, former president of the academy, gave a report on the academy's work after the gang of four was smashed. He reiterated the academy's guiding principle of laying the stress on the basic sciences, on raising the standard of research work, and on serving the national economy and national defence. In accordance with this policy, the academy mainly shoulders the task of doing research work in the basic and applied sciences, in other words, in medium-term and long-term projects in China's economic construction and social development. He noted that at present

research work on the basic sciences only account for 5 to 10 per cent of the academy's work, while work on the applied sciences and development account for more than 90 per cent.

Over a long period of time, the academy was regarded as an administrative unit. The reforms carried out at this session will set an example for the whole nation to follow. In future, specialists will take part in the leadership and in decision-making or work as advisers in all the Party and government departments as well as in the economic, cultural and educational departments. This will ensure, system-wise and organizationally, that the role of specialists will be brought into full play.

1911 Revolution Anniversary To Be Celebrated

Commemorative activities will be held throughout the nation to mark the 70th anniversary of the 1911 Revolution which falls on October 10 this year. Led by Dr. Sun Yat-sen, that revolution overthrew the feudal rule of the Qing Dynasty (1644-1911).

Commemoration of this historic event will be of significance to consolidating and expanding the revolutionary patriotic united front, strengthening the unity of the Chinese nation and facilitating the early return of Taiwan to the motherland.

The preparatory committee for commemorating the 1911 Revolution, set up in October last year, held its first meeting in Beijing on May 19.

The committee has altogether 171 representatives from the

Communist Party, various other democratic parties and people's organizations. Ye Jianying, Chairman of the N.P.C. Standing Committee, is its chairman. Deng Xiaoping, Vice-Chairman of the C.P.C. Central Committee, Soong Ching Ling, Dr. Sun Yat-sen's widow and Honorary Chairman of the People's Republic of China, and Deng Yingchao, Vice-Chairman of the N.P.C. Standing Committee, are among its 22 vice-chairmen.

At the first meeting, a plan was adopted for the occasion. It includes a commemoration meeting in Beijing, an exhibition displaying the historic contributions of Dr. Sun Yat-sen in leading the 1911 Revolution, and an academic discussion meeting in Wuhan, capital of central China's Hubei Province.

The meeting announced that personages from Taiwan and overseas are welcome to attend the celebrations in October.

A number of feature films and documentaries on the 1911 Revolution and the life of Dr. Sun are being prepared for the occasion. Publishing houses will bring out some of the works of Dr. Sun Yat-sen, and the government will issue commemorative stamps and gold coins to mark the anniversary.

SOCIAL

'Happy Families'

Selections of "happy families," sponsored by the All-China Women's Federation, have been held in several cities in China. The criteria are harmonious family relations, reverence for the old and care for the young — all fine traditions of the Chinese family.

"We think it's important to reaffirm our traditional virtues which include, among other things, reverence for the old and care for the young," said He Lilian, a leading member of a neighbourhood branch of the women's federation in a northern district in Beijing. She said that a harmonious family has always been one of the stabilizing factors in Chinese society. "Now that China is back to normal after a turbulent decade of the 'cultural revolution,'" she added, "it's time to restore our fine traditions."

The Jiudaowan neighbourhood committee in northern Beijing, which embraces 612 households, recently selected 51 happy families, in 24 of which more than two generations live under the same roof. These are typical of many families in urban China where industrial and social pressures have not produced the Western pattern of wholesale separation of families.

Li Zhong's family is one of those selected. Li is a 38-year-old string instrument player of the Central Nationalities Song and Dance Ensemble and his wife is a worker. They and their three children live together with Li's parents who play an important role in looking after the family. Li and his wife's wages are handed over to the old couple each month who do the shopping, keep the house and take care of the children.

"You see, they have their hands full," Li Zhong said. "But they feel secure and happy and useful."

There are a number of old people who are at a loose end in this area. They have been helped to form 17 service teams to do washing, dress-making and mending and to run a small canteen for children whose parents are working.

Said He Lilian, "We are happy to see the old folk take part in one kind of work or another. Many of them are quite energetic and the society needs them. We hope that more old people will follow suit."

FOREIGN RELATIONS

Vietnamese Authorities Must Stop Their Aggression

Embarking on a new and bigger military adventure, the Vietnamese authorities are deliberately aggravating the situation along the Sino-Vietnamese border. Their troops keep shelling and attacking the Malipo area of Yunnan Province and the Fakashan mountain area of Ningming County in the Guangxi Zhuang Autonomous Region.

In the first four months of this year, Vietnamese troops carried out harassments against China's border areas practically every day, with a total of 241 Vietnamese military provocations and incursions. Last month, the Vietnamese authorities, ignoring repeated protests from the Chinese Government, stepped up and increased their armed provocations and incursions. On May 22, for instance, 85 Vietnamese soldiers invaded the Koulin area of Mengdong Commune in Malipo County, but they were all wiped out by the Chinese frontier guards. On May 18 a group of Vietnamese soldiers disguised as Laotian troops invaded Yunnan Province from across the border.

With regard to the Sino-Vietnamese border issue, the Chinese Government has consistently declared that China does not want an inch of Vietnamese territory, nor does it allow others to encroach on its own

soil. What China wants is a peaceful and stable boundary. The Vietnamese authorities should immediately stop their military provocations and incursions against Chinese territory.

Guests From Rwanda

The Chinese Communist Party will unswervingly stand side by side with the oppressed nations and peoples the world over, and the hearts of the Chinese people always turn towards the African people.

These remarks were made by Hu Yaobang, General Secretary of the C.P.C. Central Committee, in his toast at the May 18 banquet in honour of a delegation of the Rwandan National Revolutionary Movement for Development led by its General Secretary Habimana Bonaventure. Hu Yaobang paid tribute to Rwanda's achievements under the leadership of President Juvenal Habyarimana and the Rwandan National Revolutionary Movement for Development for having consolidated peace and promoted unity and stability at home and for having developed production and improved the people's livelihood. He also praised its foreign policy of maintaining its independence, good neighbourly relations and peace and neutrality.

Taking note of the friendship and unity between the Rwandan and Chinese peoples, Habimana said that exchanges of visits by the people of the two countries and leaders of the two Parties have produced good results. He expressed his appreciation of China's support and aid to the struggles of the oppressed people, especially the African people.

China and Rwanda share identical views on a number of

Premier Zhao on "Spanish" Sahara Problem

"Our consistent policy on the 'Spanish' Sahara problem is that we hope the countries concerned will get rid of outside interference, guard against the Soviet Union's meddling and, through consultations among the parties concerned, solve the problem in a peaceful way."

The statement was made by Premier Zhao Ziyang when he met with S.E. Ahmed Osman, special envoy of Moroccan King Moulay Hassan II and former prime minister, in Beijing on May 25.

international issues. In their talks, both sides expressed the hope to strengthen the friendly relations between the two Parties and peoples and to exchange experiences and learn from each other.

Members of Trilateral Commission in Beijing

Prominent figures in China's political, diplomatic and economic life met with members of the North American-European-Japanese Trilateral Commission in Beijing in the latter half of May. They exchanged views on important issues of common concern such as the international situation and ways to further friendly relations and co-operation between China and the trilateral countries.

The meetings were arranged by the Chinese People's Institute of Foreign Affairs at the suggestion of the commission. Among the 33 representatives of the trilateral commission

were its European Chairman, Georges Berthoin from France (International Honorary Chairman of the European Movement); the Japanese Chairman, Takeshi Watanabe (Chairman of the Asia Community Trust); the Japanese Deputy Chairman, Nobuhiko Ushiba (Adviser to the Japanese Minister of Foreign Affairs); the North American Chairman, David Rockefeller (former chairman of the Chase Manhattan Bank); and executive members and members of the commission.

Vice-Chairman Deng Xiaoping and Vice-Premier Bo Yibo met with members of the commission on separate occasions. During the meeting, Deng Xiaoping said that there is no change in China's open-door policy, including co-operation with foreign investments and running joint ventures. Referring to energy, he said that China welcomes co-operation not only in exploring offshore oil resources but also in coal and hydroelectric power projects.

Vice-Premier Bo Yibo said during his meeting with members of the commission that China is seeking appropriate forms of co-operation in small and medium-sized projects, such as joint ventures with overseas interests, so as to accumulate experience for future co-operation in large projects. In heavy industry, such as machine building, he said, there is the possibility of co-operation in matters of technical transformation.

Economic Co-operation With Foreign Countries

Sino-Japanese Joint Undertaking. A high-yield oil well producing 1,000 tons of crude oil a

day has been drilled recently in the Bohai Sea under a Sino-Japanese co-operative exploration plan.

Drilling of this first well, by China's *Bohai No. 6 Drilling Rig*, started on December 13 last year and was completed on March 7. In addition to a daily output of 1,000 tons of crude oil, the well produces 600,000 cubic metres of natural gas and 50 tons of condensate a day. The oil is of high quality, with a low sulphur content.

Chinese and Japanese corporations signed a contract on co-operative oil exploration and development in the southern and western parts of the Bohai Sea in May 1980.

Chinese and French Companies Co-operate. The China Petroleum Corporation and the French firm, Total, started joint drilling of the first deep oil-prospecting well in the north-eastern part of the Beibu Gulf this year.

The drilling was undertaken in accordance with a contract signed in Beijing between the Chinese and French companies in May 1980.

China and Nigeria. A five-year new agreement on economic, scientific and technical co-operation between China and Nigeria was signed in Lagos recently.

The fields of co-operation envisaged under this agreement include agriculture, medical and health services, small industries, water resources and irrigation. The two sides have agreed to set up a joint commission to implement this agreement.

Capitol Hill Jazz

Report From Washington

THE latest round of hearings on the Taiwan issue by the U.S. House Foreign Affairs' Asian and Pacific Subcommittee has left this correspondent with a deep impression that a handful of persons are taking advantage of these sessions to peddle their "two Chinas" doctrine. Once again this week they did this, despite the U.S. Government's repeated declarations of its recognition of the People's Republic of China as the sole legal Government of China and that Taiwan is an inseparable part of China.

At two discussions on the matter, this same handful of people, when called to testify, tried to play a semantic game, deliberately calling China's territory of Taiwan, "the Republic of China." They argued as if the commitment undertaken by the U.S. Government (also the U.S. Congress) to sever its official relations with Taiwan and recognize only the People's Republic of China was merely a worthless scrap of paper.

Weird Witnesses

Let us analyse what some of these specially invited witnesses actually proposed at these sessions. Despite the fact that the U.S. Government had already declared the termination of the "Mutual Security Treaty" under which the U.S. undertook to "protect" Taiwan, following the establishment of diplomatic relations between China and the United States, these people still claimed that Taiwan should remain a "protectorate" of the United States, to which the U.S.

should supply arms and also take action against the Central People's Government of China, which the United States has formally recognized.

The former U.S. "ambassador to Taiwan" Leonard Unger, said, "In case of attack on Taiwan (or blockade) the U.S. would have to decide whether it would permit a friend and former ally to be taken over by force."

Trite Assertions

Another witness, Professor Huan-Mao Tien of Wisconsin University said, "The military security (of Taiwan) must be maintained at a satisfactory level." He added, "The United States can play a positive role if the American policy objective is to support Taiwan as a viable political entity in spite of U.S.-P.R.C. relations."

What an absurd argument!

Let us study what banker B.H. Turnbull, who has repeatedly called Taiwan "the Republic of China," has to say: "I would not like to venture into the political and diplomatic connotations that arise from the phrase, official status. The Taiwan Relations Act, the American Institute in Taiwan, and the Co-ordination Council of North American Affairs provide an adequate framework on which to build and further strengthen our country-to-country relationships."

Dispensing with diplomatic language, Professor Walter Galenson of Cornell University, when testifying, deliberately called for the restoration of dip-

lomatic relations between the United States and Taiwan. His actual words were "Taiwan is the showpiece of America's efforts to promote economic development among the less-developed countries of the world." He also said, "The withdrawal of diplomatic relations has hurt our image abroad. Resumption of diplomatic relations is the obvious solution to the current difficulties."

This assertion is so absurd that even he had to admit later that it was unfeasible, and recommended that "short of this," the United States and Taiwan should "establish at high government levels a formal continuing mechanism, for the discussion of matters of common concern, and continue support for Taiwan's greater international status."

"All of these recommendations are in conformance with the policy of the present federal administration, as well as with President Reagan's pre-election press statement of August 25, 1980. They can be implemented easily and quickly," concluded Walter Galenson, after putting up a variety of false arguments.

Not in the Interests of Anyone

These people, who claimed that their recommendations were "in the interest of the United States," never once considered how their "recommendations," if implemented, would damage the state sovereignty and national interest of a country of 1,000 million people.

Speeches interfering in the internal affairs of China were blithely delivered one after another at these meetings without any expression of dissent. Talks on the Chinese mainland

(including the so-called "human rights" issue) will be continued next week according to schedule. We await with great

interest the next manoeuvres of these tricksters.

— *Xinhua Correspondent*
Peng Di, May 23

No to Regional Conference

LAO Deputy Prime Minister and Foreign Minister Phoun Sipraseuth recently visited Indonesia, Malaysia and the Philippines to sell Hanoi's plan for a regional conference. His mission proved futile, for no one would buy it. Philippine Foreign Minister Carlos Romulo said to newsmen after his meeting with Sipraseuth on May 18, "I told him I have received all reports concerning his talks with the Foreign Ministers of Indonesia and Malaysia, and their replies to him. Mine is exactly the same. We favour convening an international conference, not a regional one."

On May 18, Romulo stressed again that ASEAN rejects a regional conference and favours an international conference, since the issue is one of violating the U.N. Charter. He said, "U.N. Secretary General Kurt Waldheim has agreed to convene on July 13 in New York a U.N.-sponsored international conference to seek a solution to the Cambodian [Kampuchean] conflict."

International vs. Regional Conference. The resolution on the convening of an international conference to discuss Viet Nam's withdrawal from Kampuchea and let the Kampucheans decide their own destiny by themselves was adopted by an overwhelming majority at the U.N. General Assembly last October. It is a reflection of the wish of most countries to see the Kampuchean problem resolved and peace and stability restored in Southeast Asia. This is why efforts by the Association of

Southeast Asian Nations to convene such an international conference have such wide international support.

Viet Nam knows this. Yet, at Soviet bidding, it stubbornly proposes a regional conference, with Viet Nam, Laos and the Heng Samrin regime on one side and the ASEAN member states on the other. Viet Nam wants badly a regional conference so that its client regime can attend as an equal partner. If Viet Nam has its way and a regional conference is called, it would mean conferring recognition on the puppet Heng Samrin regime and making the Vietnamese invasion and occupation of Kampuchea a legitimate move. And it would clear the way for further Vietnamese expansion into Southeast Asia.

Regional Conference and Regional Hegemony. The Vietnamese proposal for a regional conference is in line with its striving for regional hegemony.

Viet Nam's hegemonist policy has already led it to occupy Laos and invade Kampuchea. Its proposal for a regional conference today is aimed at torpedoing the convening of the international conference and getting the ASEAN countries and the rest of the world to recognize its occupation of Laos, its invasion of Kampuchea and to recognize the Heng Samrin regime as the sole, legitimate representative of Kampuchea. This is preparatory to getting the world to recognize an "Indochina federation" under Vietnamese control.

It does not take a very perspicacious mind to see that Viet Nam's drive for regional hegemony in Indochina fits the Soviets' global strategy and to see why the Soviet Union is backing it. This also explains the Vietnamese intransigence in refusing to pull out from Kampuchea despite U.N. General Assembly resolutions.

Recent Vietnamese moves also reveal what the Vietnamese authorities have in mind. Viet Nam has again been sending armed personnel across the border into China to stir up trouble to the accompaniment of loud noises about a so-called "China threat." It is trying to intimidate the ASEAN countries, impair their relations with China, and justify its invasion of Kampuchea.

The "election" the Vietnamese faked in the occupied areas of Kampuchea is another indication of Hanoi's eagerness to give its puppet regime a veneer of legitimacy. While they work to secure recognition for their puppet in Phnom Penh, the Vietnamese authorities have been deploying more troops and have installed Sam missiles along the Kampuchean-Thai and Lao-Thai borders. Viet Nam also got the Lao Foreign Minister to work on the ASEAN countries right after the Soviet Deputy Foreign Minister Firyubin's fruitless ASEAN tour in April.

All these show that Hanoi is doing everything it can, militarily and diplomatically, to get the ASEAN members to relent and agree to holding a regional conference instead of an international conference.

In these circumstances, the only logical answer is a firm "No" to Hanoi's proposal.

— "*Beijing Review*" news analyst An Ding

Turkey Remembers Ataturk

Report From Ankara

ON May 19, in commemoration of the 100th anniversary of the birth of Mustafa Kemal Ataturk, the founder of the Republic of Turkey, a solemn and magnificent ceremony was held in the city of Samsun on the Black Sea coast.

Mustafa Kemal, whom the Turkish National Assembly gave the name of Ataturk, (Father of the Turks), was born in 1881, but the exact date of his birth is not known, so May 19 was designated as his birthday, because he had set foot in Samsun on May 19, 1919. There, he launched the national-liberation war to save the country from foreign armed occupation and to overthrow the feudal Ottoman Empire. The founder of the modern Turkish nation himself adopted May 19 as his birthday.

Celebrations

On the morning of May 19, a 21-gun salute started off the centennial festivities in Samsun. The crescent and star national flags flew over all buildings. Triumphant arches were erected in all the main streets. They were hung with red streamers with sayings of Ataturk, one of which reads, "A nation which is united and not a heap of loose sand will never be conquered."

A nine-metre-high, 20-ton copper "Ataturk Memorial" statue was revealed in Ankara the same day. The memorial is in the garden of the Turkish Grand National Assembly.

To commemorate the 100th birthday of Mustafa Kemal Ataturk, the Turkish Government and the United Nations Educational, Scientific and Cultural Organization (UNESCO) declared 1981 "Ataturk Year."

Since January various commemorative activities have been held throughout the country. Films about the revolution led by Kemal have been shown and a number of new books on his life have been published. Symposiums, plays and sports meets have been held.

Preparations for the Ataturk centennial started four years ago. In August 1978 a decision was made to set up an Ataturk Library, and a lot of work has been done to collect and prepare an exhibition of Kemal's speeches and writings, books, letters, photos, stamps, and works put out in other countries about him. A film is being made of his life.

Earlier this year, the Turkish Government called for a nationwide drive "to eliminate illiteracy" and raise the cultural level of the nation as Kemal had advocated. About 1.68 million people are attending classes. Another commemorative activity is the nationwide campaign to plant trees.

Many countries, including China, have held meetings to mark the centenary of the birth of this great Turkish patriot.

Outstanding Contributions

This national hero contributed much to his people in his lifetime and his deeds inspired

many to fight for their country's salvation. During Turkey's protracted struggle against feudalism and imperialism, Kemal Ataturk was an ardent nationalist and an outstanding soldier. After the founding of the Republic of Turkey on October 29, 1923, Kemal Ataturk was elected the country's first president, and he began a programme of reforms to modernize Turkey in the ensuing 15 years. He abolished the caliphate, closed down all institutions based on the Moslem canon law, separated the church from the state, reformed the writing system and set aside old laws and traditions that held women inferior to men and wrought vast changes in the social life of the nation. He abolished all privileges granted to the European countries by the old Ottoman rulers.

He led a numerically smaller army to defeat foreign troops many times stronger and he saved Turkey from becoming a vassal state. It was Ataturk who helped Turkey to become a completely independent state.

"Independence or Death"

Kemal died on November 10, 1938, but his famous declaration, "Independence or death," is still inspiring the Turkish people to defend their country against foreign aggression.

This, the Soviet Union is aware of as it tries to make Turkey a springboard for its southward strategy and to complete its plan to encircle Western Europe. While celebrating Kemal's 100th birthday, the

Turkish people are fully aware of the threat the successors of the tsars poses to them, and they are prepared to defend their sovereignty.

The Turkish military government which came to power last September has not forgotten to keep a weather eye on Soviet moves while maintaining normal state relations with it. The government has on many occasions condemned the Soviet invasion of Afghanistan and has pointed out that the Soviets' southward expansionist policy poses a threat to Turkey and the Middle East.

The Turkish army, navy and air force have recently held a number of exercises in eastern Turkey, which is adjacent to the Black Sea and Soviet territory. The Turkish head of state, Kenan Evren, declared last January: "We will never neglect our defences and our soldiers are ready to fight at any time." This is not a general, vague warning. He had the neighbour in the northeast in mind.

— *Xinhua Correspondent*
Liu Kaichen

national independence movement, Britain was forced to grant the 26 counties of southern Ireland dominion status as the Irish Free State. Sixteen years later, Britain consented to southern Ireland's national independence and separation from the Commonwealth. However, the British Government retained the six counties of Northern Ireland, where Protestant descendants of early English immigrants form a two-thirds majority of the population, and incorporated them into the United Kingdom.

Irish Catholic nationalism in Northern Ireland did not abate, though, leading the British Government to hold a referendum on the fate of the northern province in 1973. As the Protestants outnumber the Catholics 2 to 1, a majority of the electorate predictably voted to retain links with Britain. Thereafter, Britain tried to formulate a power-sharing political solution between the two opposing sections of the population. These efforts were fruitless.

Northern Ireland

Old Tensions Renewed

THE recent deaths of four Irish Republican Army (I.R.A.) hunger strikers (Bobby Sands, Francis Hughes, Raymond McCreesh and Patrick O'Hara) in Northern Ireland's Maze prison have heated up an already tense Ulster to the boiling point. Widespread rioting, violence and destruction of property have ensued, with no early end in sight.

I.R.A. leaders have declared that four of its imprisoned members will continue their hunger strike until the British Government satisfies their long-standing demand of political prisoner status for I.R.A. inmates. But the British Government has made it clear that it will not acquiesce to the I.R.A.'s demands; as Margaret Thatcher put it, no matter how many men starve themselves to death, London will never allow those it considers common criminals to be called political prisoners.

Background

The Northern Ireland question has plagued British Governments for many decades, involving deep-rooted historical, national and religious conflicts. Ireland was formerly an English colony. In 1921, after years of battling the Irish



Recent rioting outside the Belfast police station.

Most of the half million Catholics in Ulster firmly support separation from Britain and unification with the Republic of Ireland. The I.R.A. conducts guerrilla activities towards this end, directing regular attacks on British soldiers and military outposts in Northern Ireland. Since the 1970s, it has expanded its operations throughout the whole of Britain and Ireland, increasingly engaging in terrorism against political figures. More than 2,000 people have died in related violence and terrorist actions in the past decade, and about 700 members of the I.R.A. are now in prison.

Peaceful Solution Advocated

Political circles in Britain are currently maintaining a fundamental consensus on the issue of the Maze prison hunger

strikers, as well as on the question of Northern Ireland's independence. The opposition Labour Party and public opinion in Britain have generally expressed support for the firm stand taken by the Thatcher government.

Successive governments of the Republic of Ireland have repeatedly called for the unification of Ireland's northern and southern provinces, but concur with Britain that the I.R.A. is an illegal organization whose violent extremes must be opposed. In recent years, the Governments of Britain and Ireland have strengthened their contacts and consultation on this issue. Both consider it necessary to find a new peaceful solution to the Northern Ireland problem.

— Zhong Wen

Africa Builds Highways

A 3,500-kilometre modern highway, starting from the Algerian capital of Algiers, is being put through the Sahara Desert south to Tamanrasset where it will then fork out to Gao in Mali and Arlit in Niger. The first stage to Tamanrasset has been completed and the highway should enter Niger next year.

When the highway is completed, the Sahara will no longer obstruct passage between countries in north Africa and west Africa. Motor transport will replace pack animals and transport will be quicker and cheaper and closer ties will be

forged between the north and the south. North African ports on the Mediterranean will be



connected to ports on the Gulf of Guinea, which will play a big role in boosting mining, agriculture and trade in this part of Africa.

Africa is a rich continent but economic developments have been held back, owing, among other things, to a lack of roads. Highway construction is high in priority with inland African countries building up their economies because road-building costs less and produces fairly quick results. At the third All-African Conference for Highway Construction held in 1976, experience in highway construction was summed up and road-building plans were drawn up for this century.

In addition to this trans-Saharan highway, some other major roads planned are:

—Lagos in Nigeria through Central Africa to Mombasa in Kenya;

—Nouakchott in Mauritania to Lagos;

—Cairo to Gaborone in Botswana;

—Dakar in Senegal through the Sahel area to Ndjamena in Chad.

These major highways across the African continent will link existing highways into a trans-African highway network to give a momentous boost to economic developments. It will also have a positive impact on the political life of the continent.

— Yuan Ji

Great Historical Changes in Tibet

by Ngapoi Ngawang Jigme

THE peaceful liberation of Tibet completed the unification of the mainland of China and marked the beginning of a new chapter in the history of the Tibetan nationality. Today, Tibet has been transformed from a society of feudal serfdom into a socialist society. I took part in the negotiations on the peaceful liberation of Tibet and the signing ceremony as the chief plenipotentiary of the local government of Tibet. I saw it as a duty to my motherland and my Tibetan nationality. Now looking back after 30 years, I feel satisfied with the results and honoured to have taken part.

Ending the History of Imperialist Aggression

The agreement on the peaceful liberation of Tibet (known as the 17-article agreement) affirmed the historical fact that Tibet is an inalienable part of China. The first article of the agreement explicitly stated: "The people of Tibet shall unite and drive out imperialist aggressive forces from Tibet; the people of Tibet shall return to the big family of the mother-

Born in 1910, Ngapoi Ngawang Jigme is a Tibetan of Lhasa who served as a minister in the former local government of Tibet. In 1951, he was the chief plenipotentiary of the local government of Tibet in the negotiations with the representatives of the Central People's Government in Beijing and signed an agreement on the peaceful liberation of Tibet. After 1951, he held the posts of Vice-Chairman of the National Committee of the Chinese People's Political Consultative Conference, Member of the Standing Committee of the National People's Congress, Vice-Chairman of the Preparatory Committee for the Tibet Autonomous Region and Chairman of the People's Council of the Tibet Autonomous Region. Now he is serving as Vice-Chairman of the N.P.C. Standing Committee and Chairman of the People's Government of the Tibet Autonomous Region.



Chairman Mao and Ngapoi Ngawang Jigme at a party to mark the signing of the 17-article agreement on the peaceful liberation of Tibet in 1951.

land — the People's Republic of China." Since then, the people of Tibet have cast off the imperialist aggression and yoke for ever and enjoyed full national equality and the right of regional national autonomy in the big family of the People's Republic of China.

During its long history, the Tibetan nationality has the revolutionary tradition of opposing imperialist aggression and domestic reactionary rule. A brave and industrious people, they have made outstanding contributions to the building of the motherland and the creation of a rich culture.

When I studied history in school, I learnt about the process of Tibet becoming integrated with China. As early as 1,300 years ago, close relations existed between Tufan [former name for Tibet] and the Tang Dynasty. The marriage of the well-known Tufan *zanpu* Songtsan Gampo to the Princess Wen Cheng of the Tang Dynasty in the 7th century was widely praised, and this manifested the close political ties between Tufan and the Tang Dynasty. After

hundreds of years of interaction and development, Tibet was officially incorporated into the motherland during the Yuan Dynasty (1279-1368). The ties between Tibet and the motherland became even closer during the Qing Dynasty (1644-1911).

When the imperialists intruded upon China, they also penetrated into Tibet. The people of Tibet, like their compatriots in other parts of China, staunchly resisted this invasion, but the Qing government, the Kuomintang government and the local government of Tibet, riddled with corruption and incompetence, facilitated the imperialists' gradual penetration into Tibet. They tried to sow dissension between the Han and Tibetan nationalities by every means, making use of a few reactionaries in Tibet in a vain attempt to split our country and turn Tibet into a colony of their own. These ambitious efforts were foiled as a result of the firm opposition and resistance of the people throughout the country, including the people and patriotic personages of Tibet.

The Chinese Communist Party and Chairman Mao adhered to the policy of a common liberation of the nationalities and their joint building of the great motherland. In the favourable situation created by the Chinese people's basic victory in the Liberation War and the founding of the People's Republic of China, the Central People's Government in 1950 notified the local government of Tibet to send representatives to Beijing to hold negotiations on the peaceful liberation of Tibet. Initially, the local government of Tibet failed to act because some people in the upper social strata were full of misgivings and others manufactured obstructions. After Changdu was liberated in 1951, the local government of Tibet finally agreed to send me as the chief plenipotentiary and four other representatives to Beijing to hold negotiations. We held earnest and cordial talks with Li Wei-han, chief representative of the Central People's Government, and other comrades. Premier Zhou also met with us and patiently informed us about the Party's policy on nationalities and other policies on many occasions.

After repeated consultations and in accordance with the consistent policy of the Party on the solution of the national question in China and the special conditions in Tibet, various complicated problems were resolved. At last, Li Wei-han and other comrades, on behalf of the Central People's Government, and we, on

behalf of the local government of Tibet, signed an agreement on the peaceful liberation of Tibet. At the signing ceremony, Vice-Chairman Zhu De gave a speech. Then Chairman Mao personally met us and gave a banquet to celebrate this major occasion. Chairman Mao and Premier Zhou told us that the Communist Party would help us develop cultural and economic undertakings in Tibet. They stressed that the Party did not seek to rule over us or do us harm and encouraged us to talk with them if any Han cadres tried to bully us. I was moved by these words which expressed their concern for the Tibetan nationality and people.

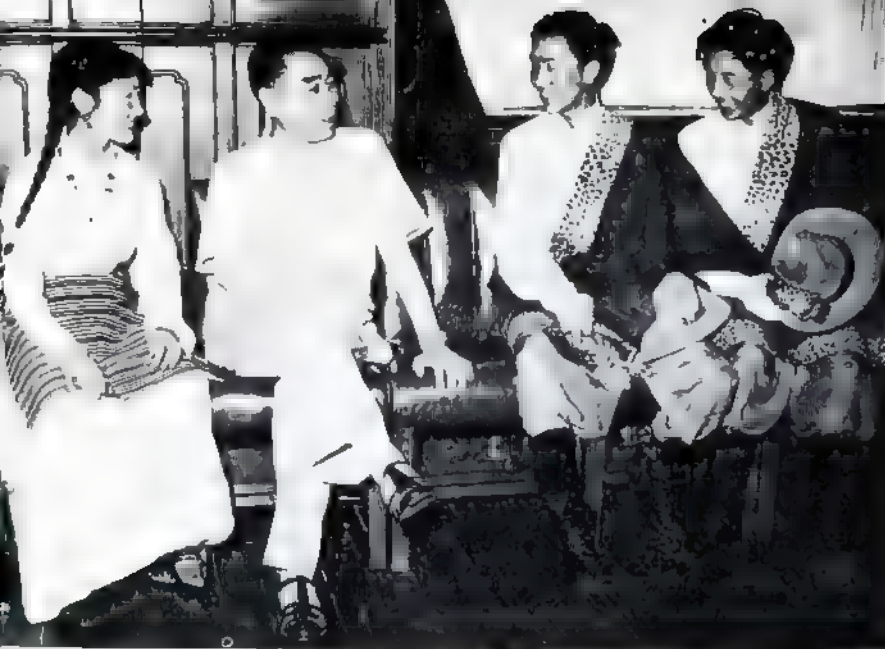
During this process of historical significance, I became convinced that the Party Central Committee and the Central People's Government were determined to earnestly help the Tibetan nationality to go forward after the unification of the motherland.

New Road of Prosperity

The peaceful liberation of Tibet opened up a new road for the Tibetan nationality.

Representatives and personnel of the Central People's Government and P.L.A. men who were sent to Tibet have faithfully adhered to the 17-article agreement. Some of them stationed in China's border areas to defend them. They have energetically worked for the formation of a united front, brought together patriotic people of all strata and promoted the internal unity of the Tibetan nationality. To improve communications in Tibet and strengthen economic and cultural exchanges between the people of Tibet and those of various nationalities in other parts of China, the Xikang-Tibet and Qinghai-Tibet Highways were built. In addition, schools were set up, cadres trained, free medical care provided, interest-free loans for agriculture and animal husbandry given and free farm tools and seeds distributed. When possible, industrial and agricultural construction was undertaken as well. The Preparatory Committee for the Tibet Autonomous Region, which was set up in 1956 through consultations with the Tibetan representatives from all walks of life and upon the approval of the State Council, constituted an important step towards the realization of regional national autonomy for the area.

These actions were warmly welcomed and praised by the Tibetan people. The P.L.A. men stationed in Tibet have acted in accordance with their glorious tradition of simultaneously serv-



Premier Zhou Enlai talking with Tibetan artists (June 1963).

ing as a military team, a work team and a production team. Their many good deeds have earned them the affectionate nicknames of "new Hans" and "bodhisattva soldiers" and they have formed profound friendships with the Tibetan people.

During the course of implementing the 17-article agreement, sharp and complicated struggles developed. They particularly became concentrated around two basic questions—safeguarding the unity of the motherland and reforming the social system. Some splittists and confused persons in the original local government of Tibet and from the serf-owning class obstructed the implementation of the 17-article agreement. On the one hand, they continuously used both overt and covert methods to try and split the motherland, while on the other they left no stone unturned in their effort to obstruct the necessary social reforms in Tibet.

The 17-article agreement stated the need for reforms and that the method of peaceful negotiation should be applied in their implementation. Such reforms were gradually demanded by the broad masses of Tibetans who were developing a stronger class consciousness. In the light of the historical and actual conditions existing at that time, the central authorities decided that no reforms would be instituted before 1962 and that any reforms implemented after that date would be determined according to developments. Some members of the serf-owning class, however, in the face of the daily

awakening of the serfs and certainty that the potential reforms would take place sooner or later, tried to block the advance of history by staging a counter-revolutionary rebellion in 1959.

The broad masses of the serfs opposed the rebellion and actively supported the People's Liberation Army to quickly put down the rebellion. Successful implementation of the democratic reforms emancipated one million serfs and gave them land and livestock. Freed from exploitation and enslavement once and for all, they felt proud and elated and their patriotic sentiments soared. In the struggle to defend the frontier of the motherland and build a

new Tibet, they showed an unprecedented enthusiasm.

After the democratic reform, there were big developments in production and construction in Tibet, with bumper harvests reported in agriculture and animal husbandry year after year. Grain output in 1965 was 88.6 per cent above that of 1958, the year before the democratic reform, while the number of livestock increased by 54.1 per cent. Great improvements were also effected in communications and transport, industry, commerce, culture and education. Party and League organizations were set up in the rural and pastoral areas and large numbers of cadres of Tibetan and other minority nationalities were trained. Meanwhile, the revolutionary patriotic united front gained ground through the uniting of patriotic personages of the upper strata.

During that time, I served as Vice-Chairman of the Preparatory Committee of the Tibet Autonomous Region and later Chairman of the autonomous region.

Building a New Tibet

During the 10 chaotic years of the "cultural revolution," an unprecedented catastrophe befell our country. Tibet was no exception. At that time, it was very difficult for me to work in Tibet. However, the Party Central Committee

showed great concern for me and Premier Zhou sent a plane to bring me to Beijing.

Since the downfall of the gang of four, especially after the Third Plenary Session of the 11th Party Central Committee held in December 1978, work in various fields in Tibet has changed for the better. This was brought about by the vigorous efforts of the cadres and the masses. Leading comrades of the Party Central Committee and those in Tibet hoped that I would go back there to work. I myself also wished to contribute my remaining years to the Tibetan people.

In August 1979, I participated in the People's Congress of the Tibet Autonomous Region, which elected its Standing Committee and the Tibet Regional People's Government. I was elected Chairman of the Standing Committee. After the meeting, I spent several weeks making an inspection tour and then I reported my findings to the Party Central Committee.

The Party Central Committee attaches great importance to work in Tibet and has shown great concern for its people. Early in 1980, the Secretariat of the Party Central Committee called a meeting on the work in Tibet. Then the Party Central Committee approved

the summary of the forum, thus deciding on the principles, policies and tasks for the work in Tibet in the new historical period. Entrusted by the Party Central Committee, Comrades Hu Yaobang, Wan Li and Yang Jingren toured my native land in May and invited me to join them. On the plane, Comrade Hu Yaobang said to me: "We have only a short time for our tour, but we must solve problems. You are familiar with conditions in Tibet. If you see any problems, bring them to our attention right away and we will discuss and solve them." I immediately said I would follow the directives of the Party Central Committee and do my best to help solve the problems existing there. Comrade Hu Yaobang and others talked with comrades in Tibet on important matters such as developing production and construction and raising the people's livelihood before issuing some important directives.

The Party Central Committee's major strategic decisions have ushered in a new period in the work in Tibet. According to the directives of the Party Central Committee, we must do a good job in the following areas at the present time and in the near future. First, under the unified leadership of the Party Central Committee, full use must be made of the

30th Anniversary of Tibet's Liberation

IN celebration of the 30th anniversary of the peaceful liberation of Tibet, which fell on May 23, various activities were held for several days running in Beijing and Lhasa.

On the morning of May 23, the Department of United Front Work and the Propaganda Department of the C.P.C. Central Committee and three other organizations jointly sponsored a meeting to mark the occasion in Beijing.

Ulanhu, Director of the Department of United Front Work, extended his congratulations and greetings to the people of Tibet and the Tibetan compatriots in Beijing on behalf of the C.P.C. Central Committee, the N.P.C. Standing Committee and the State Council.

Li Weiham, chief representative of the Central People's Government in the 1951 negotiation with the former local government of Tibet, and Bainqen Erdini Qongyl Gyaincain, Vice-Chairman of the N.P.C. Standing Committee, spoke at the meeting. Ngapoi

Ngawang Jigme, Vice-Chairman of the N.P.C. Standing Committee and Chairman of the People's Government of the Tibet Autonomous Region, prepared a written speech as he was in Lhasa to take part in the celebrations there (see pp. 15-19 for excerpts from his speech).

In his speech, Li Weiham recalled and analysed the historical development of Tibet and of the relationship between the Han and Tibetan nationalities. He said the agreement on the peaceful liberation of Tibet was an inevitable product of the development of Tibet's history and the history of the relationship between Tibet and the motherland. In the course of implementing the agreement, there have been complicated and tortuous struggles, but the basic principles of the agreement, he said, have stood the test of history.

Speaking about the basic principle of developing the revolutionary patriotic united front, Li Weiham said: "We cannot but think of the Dalai Lama and other Tibetan com-

autonomous rights of regional national autonomy.

Secondly, according to the actual conditions in Tibet at present, the policy of recuperation should be firmly carried out to reduce the burden of the masses, that is, to exempt them for a few years from agricultural and animal husbandry tax and industrial and commercial tax, relieve them of all tasks of state purchasing of farm, animal husbandry and sideline products and abolish all kinds of government levies.

Thirdly, a flexible economic policy should be adopted and the economy should be readjusted. The state funds allocated to Tibet should be mainly used to boost agricultural production and animal husbandry and meet the urgent needs of the Tibetan people in their daily life. According to the particular conditions in Tibet, special flexible economic policies should be adopted and the autonomous rights of the production teams, work groups and the individual commune members should be respected. Various systems of responsibility in production should be established in line with popular wishes. The people may have bigger plots of land and more domestic animals for personal needs, and both collectives and individuals should be encouraged to engage in all kinds of sideline occupations

and handicrafts so as to develop a diversified economy and increase trade at the rural fairs and in the border regions.

Efforts must be made to alter Tibet's poverty within two or three years; in five or six years' time, living standards should exceed their previous best level, and in 10 years, relatively big changes should be effected throughout Tibet.

A year has passed since the Party Central Committee issued its directives concerning work in Tibet. A new situation has appeared in all fields of work in Tibet and some progress has been made. The relations among the nationalities have been greatly improved, regional national autonomy has been gradually improved and developed and the work of training and selecting cadres of the minority nationalities has been greatly strengthened.

Tibet has made a good beginning in eliminating poverty and seeking prosperity. Together with the people in other parts of China, the people of various nationalities in Tibet are rallying still more closely around the Party Central Committee and are working with great confidence to build a new Tibet of unity, prosperity and civilization as part of the effort to build a modern and powerful socialist motherland. □

patriots abroad. We are greatly concerned about their plight. Our policy has always been that all patriots belong to one family, whether they rally to the common cause early or late. The door of the motherland is always open to those whose hearts are with the motherland."

Bainqen Erdini Qolgyi Gyaincain pointed out that the basic principles as expressed in the 17-article agreement are still of great practical significance today under the new historical conditions. These principles include: laying stress on the unification of the motherland and unity among all nationalities; giving full consideration to the characteristics of Tibet and proceeding from the actual conditions in Tibet in all realms of work; earnestly carrying out the Party's policy towards nationalities and the regional national autonomy and really enabling the people of Tibet to become their own masters; conscientiously carrying out the Party's policy on religion and ensuring the people's freedom of religious belief.

At a meeting held on May 21 in Lhasa, Yin Fatang, First Secretary of the Party Committee of the Tibet Autonomous Region, said in his report that the agreement signed

30 years ago in Beijing was an important document of epoch-making significance in the history of the Tibetan nationality and the history of the relationship between Tibet and the motherland. It opened a great new era in which the Tibetan nationality emerged from darkness and misery and marched into brightness and happiness.

On the evening of May 22, more than 1,600 representatives of various nationalities from all walks of life attended a meeting in Lhasa, in which Ngapol Ngawang Jigme delivered a speech.

Three art troupes from Beijing, Yunnan and Sichuan travelled to Lhasa to give a week of performances. Local groups also performed for the occasion.

During the celebrations, 20 feature films, documentaries and science and educational films were shown. On May 15, the Lhasa TV station began a month-long special programme.

On May 23, tens of thousands of people in Lhasa went to Norbu Lingka, Longwangtan Park and the Lhasa Cultural Palace to celebrate the occasion.

Commercial Reforms: Smooth Circulation of Goods

Certain commercial reforms geared to the readjustment and restructuring of the national economy were instituted in the last two years. The emphasis has been on changing gradually the more or less unitary, rigid official commercial setup into a flexible and smooth circulation channel for socialist commodities.

In this "Special Feature" we are publishing an article by Li Zhisheng (from a financial and commercial department of the State Council) on the necessity for reform and the measures to be adopted as well as three on-the-spot reports about the reforms in Beijing, Shanghai and Shenyang.

From Official Trading to Flexible Operations

by Li Zhisheng

IN the readjustment and restructuring of the national economy in the last two years, people in general have focused their attention on the question of how to give scope to the regulating role of the market under the guidance of planning and bring about a brisk circulation of commodities. Transforming the commercial system has thus been put on the agenda.

The present system of commerce was established early in the 1950s. Over the past 30 years or so, it played a positive role in building up our state-run and collective commerce, realizing the socialist transformation of privately owned trade as well as ensuring the supply of materials to major economic construction projects and goods needed by the people in their daily life. However, there are also serious defects.



Defects of the Existing System

We have for a long period denied that the means of production are commodities, with the result that they were all allotted according to state plan and could not circulate on the market. This greatly restricted the scope of commodity circulation. The means of subsistence were deemed commodities, but the state commercial departments rigidly controlled so large a proportion of them as to cause

serious dislocations between production and marketing. In fact, state-run commercial departments monopolized the scene.

The circulation of commodities was organized according to administrative divisions. There are too many links, circuitous transport, excessive expenses and slow turnover. Take Guangdong oranges for example. The purchasing price is 0.72 yuan per kilogramme. By the time they reach Beijing, however, 17 kinds of expenses have been added on, raising the market price to 1.58 yuan. As a result, customers complain about the high price while the fruit company finds itself in the red.

As in the case of factories in the past, shops had no power to make their own decisions in respect to management. The administrative departments at the higher level had the final say with regard to the places of purchase, purchasing and marketing plans, prices, expenditures and personnel matters. Shops sold whatever came in, paying no attention to profits or losses, for that was the affair of the state. This style of "official commerce" was all-encompassing.

We did not have a sufficient understanding of the importance of commodity circulation. Over the past 20 years or so, commerce expanded with the development of economic construction and with the increased needs of the people; total retail sales rose 3.1-fold in the years between 1957 and 1978. But there was no corresponding development of commercial capital construction. In this

period, for instance, investment for this purpose increased only by 22 per cent, which resulted in a grave shortage of warehouses and business space. In the same period, retail centres and shops devoted to commerce, food and service trades decreased from 2.82 million to 1.3 million.

In the final analysis, these defects were results of "official commerce" which carries on business by administrative methods instead of economic means.

Causes of "Official Commerce"

The style of "official commerce" has deep historical and social roots. It is also a consequence of insufficient theoretical understanding and lack of experience.

In China which was under feudal rule for more than 2,000 years, the social base was small-scale peasant economy. Socialist economic construction was carried out after the nationwide liberation and publicly owned commerce was established. The small-scale peasant economy was guided on to the road of collectivization through socialist transformation, but because of the low productive forces, the self-supporting small commodity economy underwent little changes in many places. This had a strong adverse effect on our national economy as well as on the commercial system. The use of administrative measures and the separation of markets, for example, are expressions of small commodity economy.

In the war years during the democratic revolution, we carried out a supply system in our government organizations and army units to meet the needs of the revolutionary war. This was a distribution system specially adopted when there

was an extreme scarcity of material goods. It is therefore not conducive to the development of commodity economy.

Socialist economic construction began after the founding of New China, but leading members in the commercial departments who were accustomed to carrying out the supply system lacked an adequate understanding of the commodity economy. This could not but affect commercial work and the commercial system itself. A case in point is the tendency towards absolute equalitarianism in distribution. What is regrettable is that we failed to see the historical limitations of such a distribution system over the past 20-odd years. Instead, it was regarded as a good system suited to the socialist economic construction and a manifestation of the superiority of our commercial system.

We have committed mistakes which were "Left" in nature since setting out on the road of socialist construction, particularly after 1958. Commercially, for instance, we went too fast in transforming privately owned trade (spending only four years out of the originally planned 15 years), and banned individual trading and transformed collectively owned commerce into that owned by the whole people too quickly. In 1958, the slogan of carrying out overall supply system was put out and both commercial establishments and their personnel were reduced. In the 10 topsy-turvy years starting from 1966, as "Left" deviationist thinking spread apace, commodity activities were regarded as capitalist and it was denied that the present socialist economy was a planned commodity economy and that the law of value still had a certain regulating role to play at our present stage of socialist

development. Consequently, the significance of circulation in the national economy and the position of commerce and its role were belittled.

Enlivening Trade Activities

Eradicating the aforesaid defects involves ending the "official commerce" and developing a brisk business. With the readjustment and restructuring of the national economy over the past two years, commercial reforms also have been carried out in the following aspects.

1. Reforming the structure of commerce and allowing for the coexistence of various forms of trade establishments. At the end of 1980, China had a total of 1.3 million collectively owned shops, nearly one million private business stores, 37,000 rural fairs and 2,900 city markets for farm and rural sideline products.

As in the past, the state and collective commerce will still provide the basic avenues of socialist commerce and play a leading role. At present, state-run commerce takes care of all wholesale dealings, while state shops and the supply and marketing co-operatives handle 90 per cent of the nation's social retail sales. In the future, state-run commerce will continue to handle wholesale transactions of the major consumer goods (including major agricultural and sideline products), a section of the retail trade and foreign trade, and gradually expand transactions of the means of production. Collective commerce mainly handles retail business in cities and rural areas as well as the wholesale trade in small commodities. Individual traders will run small canteens, small services, repairing, foodstuff trades and small groceries that the above-mentioned two publicly owned commercial sectors

find hard to cover. The joint state-private-commercial enterprises, which absorb private funds and managerial techniques as well as foreign investments, concentrate their efforts mainly on restaurants and hotels at the present stage. This division of work enables each to have a role to play.

2. Gradually reforming the present system of allotting means of production to administrative departments. This calls for handling the means of production in the open market as commodities, under unified leadership. The important or scarce means of production will still be allocated at the price stipulated by the state in a planned way, while the rest will be put on the market step by step. For experimental purposes, 36 sales outlets for means of production, 39 temporary markets, and 143 retail sales departments have been opened. But at present their transactions are confined to certain overstocked products and surplus materials or goods.

3. Purchasing and marketing consumer goods through various channels. The purchases and marketing of important commodities having a direct bearing on the national economy and people's daily life, such as petroleum products and cotton cloth, will still be handled solely by state commercial departments and purchases will be made according to plan. This amounts to about two-thirds of the total value of purchases of industrial products. Other commodities will be gradually sold by the producers themselves or at commission shops, new-products trade fairs, goods and materials exhibitions as well as by trade warehouses.

4. Organizing the movement of commodities in a ra-

tional way, reducing circulation links and eliminating unnecessary wholesale organizations. To do this, restrictions based on administrative regions have to be broken down and the role of economic centres must be given full play. And all wholesale and retail shops should be allowed to purchase products directly from other places or from the producers themselves.

5. Conferring the necessary power, benefits and responsibility on commercial enterprises so that they can carry on independent business activities. Absolute equalitarianism with regard to distribution has to be overcome in order to heighten the enthusiasm of the workers and staff and continuously improve the working style of the management and services. At present more than 3,900 commercial enterprises have taken part in the experiment for exercising more managerial powers, and

initial results have been achieved.

6. Unlike some heavy industrial departments, commerce is a weak link that needs to be strengthened during the national economic readjustment. In this field some progress has been made over the past two years. The number of people working on the commercial front increased from 2.9 million in 1978 to 5.23 million in 1980. The same period also saw commercial centres and shops (wholesale commerce not included) expand from 1,077,000 to 1.21 million. There was also an increase of warehouse capacity and space for business operations. But to make up for the losses incurred over the years, to meet the needs of the development of economic construction and improvement of people's livelihood, painstaking efforts have to be made for a long time to come.

Beijing: Wangfujing Department Store

by Our Correspondent Wei Min

State-run department stores used to sit and wait for merchandise to arrive; whatever came in was spread on the shelves and sales-counters as a matter of routine. Now they have begun to investigate social demands, search for more sources of goods and work with more initiative to enliven business. This is a vivid illustration of the principle of commerce serving the people's livelihood and promoting the development of production.

THE past two years saw a rapid development in commerce owned by the collective and the individual, in trading at rural fairs and in sales on urban markets of farm and sideline products. Things have changed and so has socialist state-run commerce which used

to monopolize the market. Then what has happened to state-run commerce? With this question in mind I paid a visit to the Beijing Department Store.

The store, located about half way up Wangfujing Street in a busy shopping area, is usually

referred to as the Wangfujing Department Store. It deals in clothes, piece goods including silk and woollen textiles, industrial products for daily use, metal products, electrical appliances, handicrafts, cigarettes and tobacco, wine, foodstuffs, stationery, and various other commodities covering 29,000 varieties in all. Its annual turnover exceeds 200 million yuan. Of its 2,900 workers and staff members, 1,600 are shop assistants, 400 are processing workers and another 400 are rear-service personnel. In 1980, it led department stores of the same category across the land in assortment of goods, net retail turnover, profit rate and labour efficiency.



The Wangfujing Department Store in Beijing.

I was met in a reception room by deputy manager Li Guangming, an energetic individual of medium height, in his late forties. He had had years of experience as a shop assistant and was only one of many who had received promotions. He said: "In 1979, the Party called on us to emancipate our minds, apply policies more flexibly and enliven the economy. The market has since been expanded. This gives us more room for manoeuvre and great changes have taken place."

Merchandise From Many Sources

According to Li Guangming, before 1979 the Wangfujing Department Store could replenish its stock only through the state-run commercial system, with 60 per cent from the Beijing Wholesale Corporation, 20 per cent from designated city-run factories and the rest from a few other big cities. Because the channels were few, the variety of goods was limited and some designs tended to be unattractive. Most of the merchandise the store purchased

was allocated to it according to the state plan, leaving it little or no choice in the matter. Often, it had to buy goods not really in demand, and could not get what was wanted. For instance, much-needed textiles, high-grade ones in particular, were supplied basically in a planned way, because production was seriously behind needs.

Now enterprises enjoy some power to manage part of their own affairs independently, and factories can, on their own, dispose of products which surpass the state quotas. Besides their original channels for goods, department stores can thus do further purchasing in newly arising medium or small cities as well as in various industrial departments. In 1980, the Wangfujing Department Store sent people to 26 provinces, municipalities and autonomous regions to purchase 75.33 million yuan's worth of commodities. This accounted for 38 per cent of the stock of goods the store laid in that year, and relieved to some extent the popular need for goods like woollen and silk fabrics, dacron and related

materials, leather shoes, wrist-watches and TV sets. It also partly met the special demand for goods of local distinction such as Zhangbei woollen hats, Shanghai scarves, Suzhou kitchen-knives and Shaoxing wine.

The changes have given rise to competition for the market. The Wangfujing Department Store keeps a sharp lookout for new merchandise avenues, studies market trends, tries to find its own weak points by constantly comparing with others and works hard to bring in fresh varieties and designs in order to increase its turnover. Xu Yuhua, a veteran purchasing agent for the clothing department, told me that he and his colleagues once found that trousers made of chemical fibre sold better at the Dongfeng Market across the street, which had more varieties. People were then sent out to purchase improved lines, and special display counters were set up for them. This brought a sharp increase in turnover. "Such a happening would have been unheard

of in the past," Xu remarked.

Xu also provided me with another interesting instance of how they worked in response to the needs of the market. Last year when he was attending a meeting in Zhengzhou, Henan Province, he noticed a stylish blouse with a soft collar and bow tie a woman delegate from Nanjing was wearing. He took down the measurements and pattern. The Wangfujing Department Store commissioned a clothing factory to make 11,000 blouses of that pattern. When they were brought out for trial sale, they sold out immediately.

Xu has helped create 13 out of 160 new designs the clothing counter offered in 1980.

Flexible Business Methods

Sales are now done in many ways. Firstly, exhibition sales are held for new products or products associated with a particular locality, as famous brands of wine, Shashi sheets and woollen textiles. In 1980, the Wangfujing Department Store held 29 exhibition sales together with 150 industrial and commercial units, with the turnover reaching 15 million yuan, or 7 per cent of the year's total. To a large degree, this satisfied popular demands for more varieties and new designs. And by comparison among exhibited products of the same category, factories concerned received an impetus to increase varieties, improve quality and turn out products that could compete with the best.

Early in 1979, the Liaoyang Knitwear Mill of northeast China's Liaoning Province exhibited its stretch T-shirts made of chemical fibre in Beijing. Because of slipshod work and monotonous colours, the shirts did not sell well. The mill's

salesmen, however, were undaunted. They bought some products of excellent quality made in Jiangsu Province and Shanghai to take home with them. After serious study, the mill was able to improve its technique and increase varieties. At the end of the year when the salesmen came for the second exhibition, they found appreciative customers. When they came for the third time, their products were sold as quickly as any of the best ones.

customers to fill in, noting down goods which they have found hard to obtain for one reason or another. When the goods arrive at the store, the customers are promptly notified. Last year in this way, the stationery counter alone finalized 1,850 sales worth 2.67 million yuan.

The store has registered increases in turnover for the past two years (see table). One important factor was the adoption of more flexible ways of doing business.

year	turnover (million yuan)	profit (million yuan)	variety
1968	53.05	3.9	19,793
1978	143	11.75	18,306
1979	185	16	25,542
1980	216.87	18.07	29,500

The Wangfujing Department Store is also commissioned by factories concerned to sell products whose supply is in excess of demand, such as kerosene stoves and photographic materials, as well as products which have remained in stock too long, like electrical appliances, meters and metal tools. The advantages are: accounts are settled according to how much has been sold, the store does not pay the factories until the products are sold, and the producers are also satisfied with this arrangement.

As a convenience to consumer organizations, the store puts out printed information about its goods. On request, it will act as a purchasing agent and deliver the goods. Last year, the store made more than 6,000 purchases and deliveries for 1,400 organizations in other places to the value of 2.74 million yuan.

The store also has cards for

Enlarged Powers

The Wangfujing Department Store is one of the four big department stores attached to the Beijing No. 1 Commercial Bureau. In the past, power over business was exclusively in the hands of the superior organs, and the store had simply to act upon orders. Things have changed, however, since 1979. Besides the right to engage in the types of flexible purchases and sales mentioned above, it has been granted enlarged powers over its own affairs.

1. The right to retain part of the profit made. When the state-planned volume of sales has been met, the store is allowed to retain 4.5 per cent of the total profit, with 3 per cent to be used by the management (mainly for improving collective well-being such as building nurseries or kindergartens and housing for workers and staff members) and 1.5 per

cent to be used as bonuses. Starting from 1980, a further 10 per cent can be drawn from the profit above the state plan, with 6 per cent going into the management fund and 4 per cent into bonuses. In 1979, the Wangfujing Department Store used its management fund to build housing totalling 3,200 square metres of floor space, and in 1980 it added another 1,380 square metres. A scheduled 3,100 square metres will be built this year.

2. A restricted right to mete out penalties and rewards. The store is now in a position to promote apprentices who have

collars, belts and other small commodities, the store is entitled to fix their prices, the only condition being that the profit rate should not surpass 13 per cent. The store can also set prices on clothes it makes.

Attitude Towards Customers

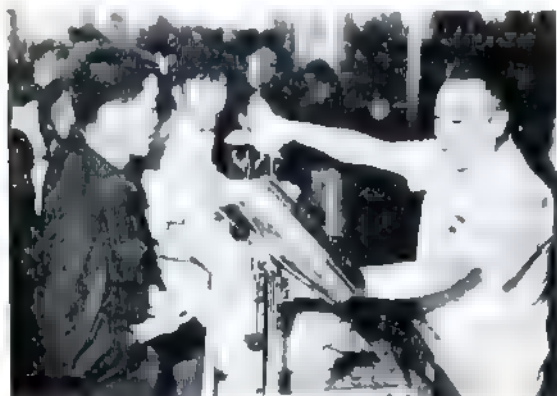
The work style of "official commerce" has proved a headache to the state commercial departments. Over the last few years, the Wangfujing Department Store has been making energetic efforts to bring about a better attitude on the part of its sales personnel towards serving the customers. These include a more enlightened way

the young assistants has been a beacon of brightness and hope. The spirit of serving the people which was so badly undermined in the past has been restored."

Among the service items added for the customers' convenience, this correspondent discovered a "Helping-Hand Counter" geared to selling notions and small commodities of all possible categories. Customers are now able to find inconsequential but urgently needed goods at low prices. The store also rents out umbrellas, clocks and wristwatches, does small-scale mending and repair work and delivers large packages or heavy goods.

Every counter has a "customers' box" for receiving their criticisms and suggestions about the commodities. In this way, social needs can be more closely linked with production. They once forwarded some customers' critical opinions to the Beijing Woollen Mill about its 40-odd products. This prompted the mill to design and produce 21 new kinds of woollen gabardine.

In reference to existing problems, Li Guangming declared that there was still much room for improvement in service attitudes and quality of work. He also felt that better results all round entailed more power for commercial enterprises to manage their own business independently.



Model salesman
Zhang Binggui
serving his customers.

acquitted themselves well to the status of regular workers ahead of time. It also has the right to mete out punishments to those who cause losses through negligence in work, whether the person in question is a manager, a cadre or an ordinary worker. Punishments range from disciplinary warnings, recording of demerits, demoting, wages cuts to expulsion with a limited probation. Any case of permanent expulsion must be approved by the superior organ.

3. The right to fix prices for a few commodities. The price of commodities managed by the state-run wholesale corporation is decided by the state price department. As for buttons,

of doing business, more courteous service to customers, learning from the Tianqiao Department Store which is well known in Beijing for its good service attitude and emulating the model shop assistant Zhang Binggui of the Wangfujing Department Store itself. Coupled with appropriate penalties and rewards, the store management has helped workers and staff members, young assistants in particular, to foster the ideal of serving the people and a correct attitude towards their work. As a result, many of the sales personnel have been praised by customers. One wrote in the Suggestions and Opinions Book: "To me, the service attitude of



Shanghai: Means-of-Production Exchange

by Our Special Correspondent He Zijia

Up until recently, steel products, machines, trucks and certain other products were not sold on the market. They have now appeared on the open market as commodities. Some 10 per cent of the Shanghai machines and electrical products were not included in the state allocation plan and sold directly in this way.

A NEW blood vessel for commodity circulation," "a Hongniang in the exchange of socialist materials"—this is how people describe the role played by the Shanghai Means-of-Production Exchange set up nearly two years ago. Hongniang is a maid servant in the Chinese classical drama *Western Chamber* who helps her mistress break the yoke of the feudal ethical code and marry her lover. Hence this name is given to anyone who acts as a go-between in helping somebody achieve an objective.

This exchange, located by a broad boulevard in southwest Shanghai city proper, covers a total of 12,000 square metres. In 1980, its turnover reached 310 million yuan. At present, it has business relations with more than 14,000 enterprises and units throughout the country.

At the entrance, on the walls of a long corridor are price lists of major commodities with detailed information as well as ads and sellers' bills for the promotion of their products. On display are machines and electrical products, light industrial machinery and samples of raw materials. They range from washers worth only one fen apiece to machine tools worth tens of thousands of yuan each, from small screws to

15-ton automatic dump-trucks, and from materials that have been kept too long in stock to new products—upwards of 40,000 kinds in all.

How the Exchange Emerged

Director of the exchange told me that this is one of the trade centres newly built in Shanghai. Under the unified leadership of the state plan, it works to channel purchases and sales and promote exchange of materials through the market.

Shanghai, with its flourishing trade, convenient transportation and quick communication, has always been the economic centre of the nation. After the socialist transformation of private industry and commerce in 1956, China's economy gradually turned into a unified planned economy and adopted a highly centralized system of administrative management.

Such a system guaranteed the basic material needs of key economic construction projects and people's livelihood. But, as a result of its rigid control over commodity production and distribution, circulation became confined to a single channel and, what's more, circulation links overlapped in many ways. The administrative management which was exercised according

to departments and areas had severed Shanghai's original economic contacts with various parts of the country. This affected the development of production and caused a certain amount of inconvenience to the people in their daily lives. Furthermore, the means of production, which were not conceived of as commodities in the then prevailing theory, did not become part of the commodity circulation, but were instead allocated through the administrative management system in accordance with the state plan. This caused some dislocations between production and needs. It was very common that one unit could not get certain materials it urgently needed while another had kept the same materials in excess of its needs.

In the national economic readjustment that started in 1979, regulation by planning is combined with that of the market, and experiments were run in giving enterprises more say in handling their own affairs. This brought about a corresponding transformation in the system of managing materials. That portion of the means of production outside the planned distribution sector began entering the market as commodities. Shanghai's traditional channels for exchange with other places and ways of doing business have gradually been restored and developed. In this situation, the Shanghai Means-of-Production Exchange emerged in July the same year.

The emergence of an exchange linking production with sales and handling free purchases and sales was warmly welcomed by economic departments in Shanghai and other parts of the country. Many industrial bureaus, big factories and materials and commercial departments converged there to

attend exhibition fairs. Many have permanent offices for conducting business negotiations.

Fairs of materials transactions sponsored by the exchange met with particular approval on the part of producers and purchasers. In 1980, five such fairs were held which were attended by 2,500 sales personnel from some 600 units in Shanghai and other places. Commodities available valued at more than 6,000 million yuan from different parts of the country, and the 220,000 buyers attending the fairs concluded 9,924 contracts.

A New "Blood Vessel"

Since its opening over a year ago, the Shanghai Means-of-Production Exchange has greatly enlarged the scope of its business and services by breaking with outmoded conventions in the realm of materials distribution. For instance, it went beyond the regional and departmentalized limitations in the circulation of the means of production to serve clients from various parts of the nation.

No longer restrained by the old rule that exchange in the means of production could not be carried on between enterprises differing in form of ownership, it now deals with enterprises of all kinds, whether owned by the whole people, by the collective or some other entity.

Its business scope extends to new products, products that have surpassed the state quotas, raw materials and a number of industrial products for daily use, in addition to machines and electrical products that have been kept too long in warehouses.

It also adopts various ways of doing business, including deal-

ing with ready goods and futures. Transactions can be made by paying cash in full, or making a down payment. Besides buying or selling finished products, it also accepts orders for processing. Mail-order purchases can also be made, and in the case of some products, the sale carries with it installation, maintenance and repair service, and relevant technical information.

Commodity circulation is as important as blood circulation in the human body. The Shanghai Means-of-Production Exchange, a new "blood vessel," meets with its clients' approval because of its broad contacts, wide range of products available for choice, sensitive response to market tendencies and all-round good service. In the first quarter of 1980, the tap-water company of Jining, Shandong Province, in urgent need of deep-well pumps for its project of increasing the water supply, simply could not find one. It sent a purchasing agent to the exchange, where he found that the East China Materials Supply

Corporation under the Ministry of Agricultural Machinery had extra pumps of the kind required to sell. The two sides concluded a deal of five in a short time.

To help factories gear their production to the market, the Shanghai exchange accepts orders from customers in the capacity of a representative of the factories. It also organizes meetings of producers and purchasers, or helps them make deals after inspection of the samples at the exchange. Sometimes, to canvass for orders on behalf of factories, it calls special fairs for ordering or processing goods. In 1980, deals in futures amounted to 60 million yuan in value.

The Shanghai exchange also dispatches people to various places to organize goods inlets and promote sales. They have reciprocal agencies with nine corporations in Beijing and Tianjin. This provides new markets for Shanghai products. In 1980 the deals it made for parties concerned covered



At the Shanghai Means-of-Production Exchange.

140,000 tons of steel products, 13,000 tons of nonferrous metals, 1,675 motor vehicles of various kinds, 8,600 pieces of machines and equipment, 5,008 electric motors and 3,900 kilometres of wire.

The exchange director told me that China is making further readjustment of the national

economy. There will be an urgent need to dispose of more surplus materials from the slashed capital construction projects. On the basis of the present business scope, the Shanghai exchange will refocus its business on speeding up goods circulation and making better use of materials.

Her diligence and good service brought about an increase in daily turnover from 30-40 to 70 yuan within only half a year. Her monthly income is now around 200 yuan. An Yuzhi said: "Before, I could hardly afford to make a new jacket for even one of the children on festive occasions, but last Spring Festival I bought them all new jackets and new shoes!"

Shenyang: Privately Owned Shops

by Our Special Correspondent Jiang Min

Individual economy, long considered a "tail of capitalism" to be cut off, is being restored and developed as a supplement to socialist economy.

By the busy Nanjing thoroughfare in Shenyang, the biggest industrial city in the northeast, I visited the An Family Store. It is a small privately run shop selling more than 50 kinds of goods, including tins, tobacco, wines, candy, toilet paper, matches and school notebooks.

Woman Owner

Its owner is 49-year-old An Yuzhi, strong, energetic and straightforward. "You can see what a busy shop this is, can't you!" she said enthusiastically as she met me at the door.

Her husband is a worker of the city construction bureau. They have six children, all of them in school, the youngest a boy of 10. Formerly, burdened by heavy household chores, she could not go out to work, and the family received help from the state every year. In June 1980, in keeping with the new policy which was in effect, she applied for permission to run a small shop to help support her family. This was approved, and she

opened up her business with a capital of 500 yuan, a loan granted her by a local bank.

She works from 6 in the morning to 10 at night and sometimes is found still waiting on customers much later. She bought a wheelbarrow to use when she goes out buying for her shop at the wholesale, and usually finds she must replenish her stock every two or three days. Her children lend a hand whenever they have time.

17,200 Small Shops

This shop, however, is a minuscule facsimile of Shenyang's burgeoning individual commerce.

Strolling through the city streets, one can find a network of various kinds of small commercial establishments on either side. There is the Ma Family Grocery run by a retired worker, Ma Jinghe, the Shengli Theatrical Costume Shop run by an old handicraft worker Na Xuezhong, a snack-counter selling steamed dumplings with a special flavour run by a couple, and the Sichuan Pungent Noodle House run by the Wangs. There is also the Limin Bath House run by the retired worker Wang Yongsheng, and the people find it a



The Tianjin dumpling house run by a group of young people is one of Shenyang's popular restaurants.

INDIVIDUALLY RUN COMMERCE IN SHENYANG

(at the end of 1980)

Trades	Number of shops	Business scope
Commerce	4,009	Small articles of daily use, foods, tobacco, wine, candy
Catering	9,069	Restaurants, small wineshops, snack-counters, cooked meat, foods
Service	862	Photo studio, laundering and dyeing, clothes, painting and whitewashing, fluffing cotton
Repairing	2,807	Clocks, watches, spectacles, electrical appliances for household use, bicycles, shoes, socks
Small handicrafts	215	Wooden articles for everyday use, bamboo, straw and wicker work, arts and crafts
Transportation	202	Pedicabs, push-carts
Culture	36	Lending library for picture-story books

great convenience. Emerging as a supplement to the state-owned and collective commerce, they have enlivened trade and are much appreciated by the citizens.

In the early 50s, there were 17,400 individually owned industrial and commercial shops in Shenyang. Some were incorporated into the collectively owned co-operative stores during the socialist transformation movement. In 1965, there were still 15,000.

In the following 10 chaotic years, the overwhelming majority of them were slashed as "tails of capitalism." Only 3 were left in 1976 when the gang of four was toppled.

A responsible member of the city bureau in charge of in-

dustrial and commerce told me that the individual economy in the city has recovered to the level of the early 50s. By the end of 1980, the city had 17,200 such industrial and commercial shops involving 19,215 people.

Present Policy

These private trades, he said, are conceived of as a supplement to socialist commerce, and the individuals involved are labouring people. They have tiny funds, small earnings, and do not exploit anyone, so it is impossible for them to develop into capitalists. At present, their total turnover accounts for only 3.1 per cent of the social retail sales.

The city government stipulates that those who want to run an individual business must be

legal residents of the city and should have adequate professional knowledge and managerial ability. Applicants, after being approved by the subdistrict office where they live, must go to the district industrial and commercial bureau to register. They are given a professional examination and those who pass are granted business licence. This gives them access to goods from state-run wholesale departments.

These small traders and handicraftsmen are required to pay an industrial and commercial tax, as well as an income tax to the state. The income tax is exempted for the first year, but legally it is calculated from the day he receives the licence. The city has set up the association of industrial and commercial labourers to deal with those who pass beyond the limits of business stipulated by the government, deal in inferior goods, go in for disguised price rises or engage in speculation. Serious infractions will be punished according to law.

Referring to the prospects of individually owned industry and commerce, the responsible member declared that they are still inadequate for a big city like Shenyang with its 2.78 million people. A further development is expected, with the stress on repairing and mending services. There should also be more laundering and dyeing shops, clothes shops and shops open after hours. We plan, he said, to have 50,000 people involved within two or three years. □



THEATRE

*"Romeo and Juliet"
In Tibetan*

Shakespeare's *Romeo and Juliet* in the Tibetan language was recently staged in Shanghai and will soon be presented in Beijing to mark the 30th anniversary of the signing of the agreement for the peaceful liberation of Tibet.

The audiences greeted this first attempt to perform a Shakespearian play in Tibetan with great enthusiasm. The joy was echoed by Sir Kenneth Cork, former Mayor of London and general manager of the British Royal Shakespearian Theatre, after he saw the play in Shanghai not long ago. He remarked, "The performance was very good. They are the youngest actors and actresses to play in *Romeo and Juliet* that I have ever seen abroad. They played with rich emotions and feelings so that the atmosphere of the tragedy prevailed."

The performers are young Tibetan students in their third

year of study at the Shanghai Theatrical Institute.

The 28 members of the class which was admitted in 1977 are the children of emancipated peasants and herdsmen. At the time of enrolment, their general educational level was quite low.

Togbuji, who played the part of Romeo, came from a peasant family in a remote area of Tibet. The heavy farm work he undertook as a young boy has left its mark and he now looks slightly hunchbacked. Before going to the institute he worked as a farmer and then a miner, having never attended a school, nor seen a play. Though Togbuji knew nothing about Shakespeare when he went to Shanghai he studied diligently, reading his lines aloud every morning. In the end, all his efforts were rewarded and his performance was well received. In fact, some of his classmates could hardly believe that the Romeo they were watching was really Togbuji.

Juliet was played by the 19-year-old Deyang. Though she had previously received a middle school education, she did not know anything about this play when she was assigned the part. In order to deepen her knowledge of the character, she read a large number of books.

After this class is graduated from the Shanghai Theatrical Institute, it will perform *Romeo and Juliet* in Tibet. A modern play was first staged in Tibet in 1962 when the institute's first class of Tibetan students performed the historical play *Princess Wen Cheng* in the Tibetan language.

SPORTS

*International Women's
Basketball Tournament*

The Chinese national team won the first place at the 1981 Jinan International Women's



The match between China and Romania.

Writing for Children

In celebration of International Children's Day (June 1), a large number of new books for young people will be published and distributed throughout the country. The promotion of children's literature is no once-a-year event, however; last year more than 1,300 such works of wide variety and creative excellence were published in China. Colourful, imaginative, instructive and full of national flavour, these readings are immensely popular among the younger generations, and play an important role in their moral guidance and development.

Since liberation, children's literature has been fostered by the state and supported by the best of China's writers. Such noted authors as Lao She, Guo Moruo and Yan Wenjing have also contributed their energies and talents to writing stories for young people; others, like Zhang Tianyi and Xie Bingxin, are primarily known for their children's works. Today, the Chinese Government actively en-

courages the creation of children's literature through awards and recognition of talented contributions in this field. Special publishing houses devoted exclusively to youth readings have also been set up nationwide. Newspapers, science magazines and other periodicals promoting children's education now flourish. Of central importance in all of these endeavours is the desire to lay a healthy moral foundation for the future of the society.

The world of imagination in Chinese children's books is therefore characteristically instructive as well as fun. *The Magic Gourd*, written by Zhang Tianyi and translated into numerous foreign languages, is both of these. Based on a familiar children's fantasy, the story follows the adventures of a schoolboy named Wang Bao after he discovers a magic gourd which can grant his every wish. The inevitable curse attached is that everything the gourd gives him has been stolen from others, which forces the boy to lie in order to hide his secret. Initial

delight turns to regret as Wang Bao learns the boredom of never having to work and the isolated unhappiness of a liar; not until he confesses the truth to all and gets rid of the gourd is he able to return to his normal happy life among his friends. *The Magic Gourd* thus seeks to educate as well as entertain, to reinforce the values of honesty, hard work and friendship while leading the child reader through a delightful fantasy.

In a similar spirit is Yan Wenjing's *Tang Xiaoxi at Port Next Time*, the tale of a not untypical little boy who prefers play and procrastination to doing his homework. The portrayal of this charming young fellow's travels and troubles, which gradually lead him to adopt a new attitude towards his studies, makes this a popular story among children in China.

Minority nationality folk tales, artistic picture books and stories of heroic young people in China's revolution are also part of the rich literary heritage of today's youth. *The Frog Rider*, *Little Soldier Chang Gazi*, *Nezha Stirs Up the Sea* and *The Peacock Maiden* are a few of the vast number of children's readings produced in recent years. Many of these storybooks, folk legends and other publications have been translated into foreign languages and distributed internationally. Judging from the brisk sales and steady stream of complimentary mail from abroad at the Foreign Languages Press of Beijing, foreign children find this literature as enchanting and enjoyable as do their counterparts in China.

—Liao Xuhe

Basketball Invitation Tournament. The Romanian women's team was the runner-up, followed by teams from Canada, Yugoslavia, Australia, China's "August 1" team and Japan in that order. The tournament was held from May 15 to 23 in Jinan, capital of Shandong Province in east China.

On the evening of May 23 when it played against the Yugoslav team for the last match, Yugoslavia won by 72:69. But the Chinese team captured the title for it had six wins and one loss.

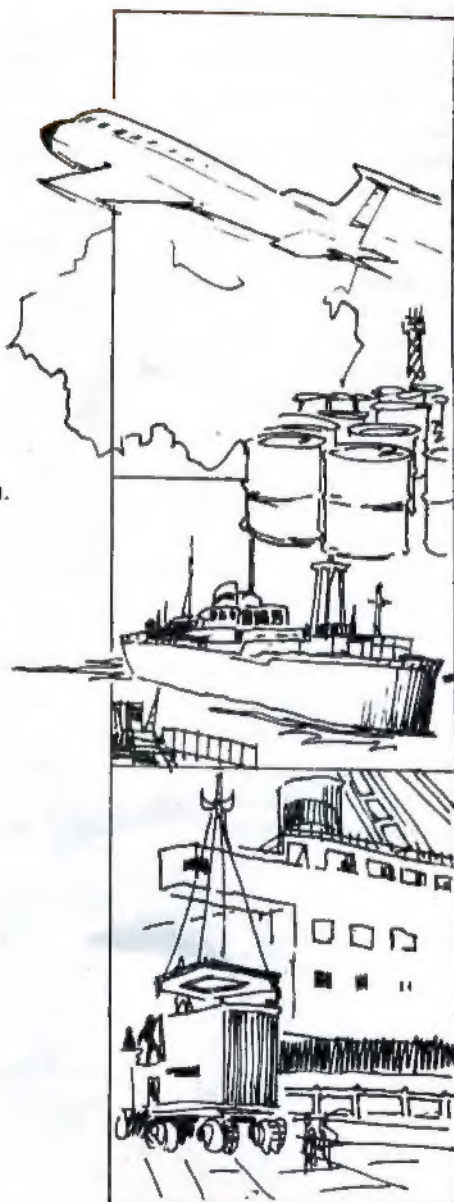
After its defeat at the Eighth Asian Women's Basketball Championship last year, the Chinese women's team was reorganized. The average age of the team members now is a little over 19, making the team the youngest at this tournament.

Although not all the strong teams in the world took part in this tournament, the skill and standard of play of the contesting teams showed that it was a high-level international tournament.



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